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Summary

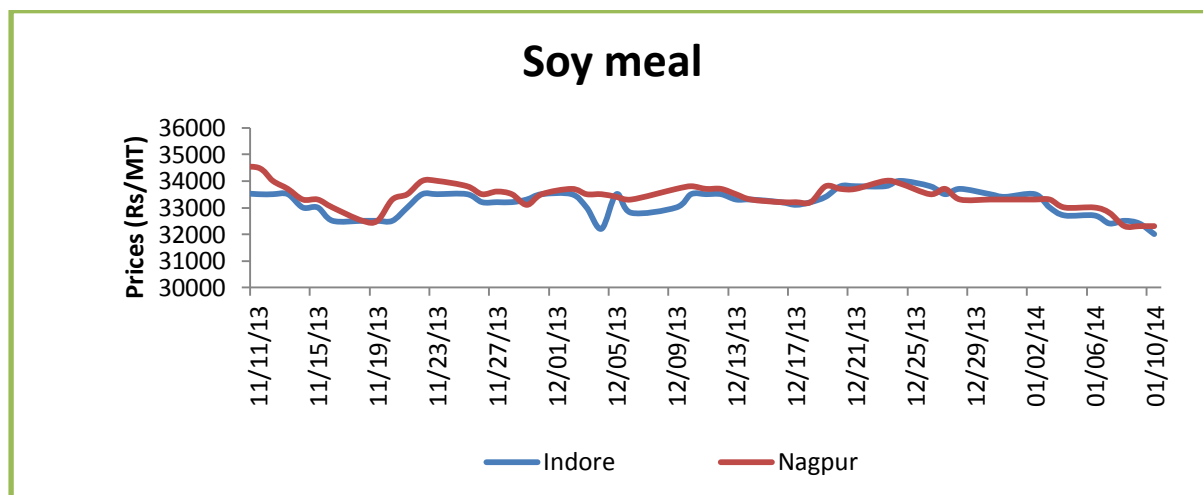
Overall, the key feed ingredients prices witnessed steady to weak sentiments during the week in review.

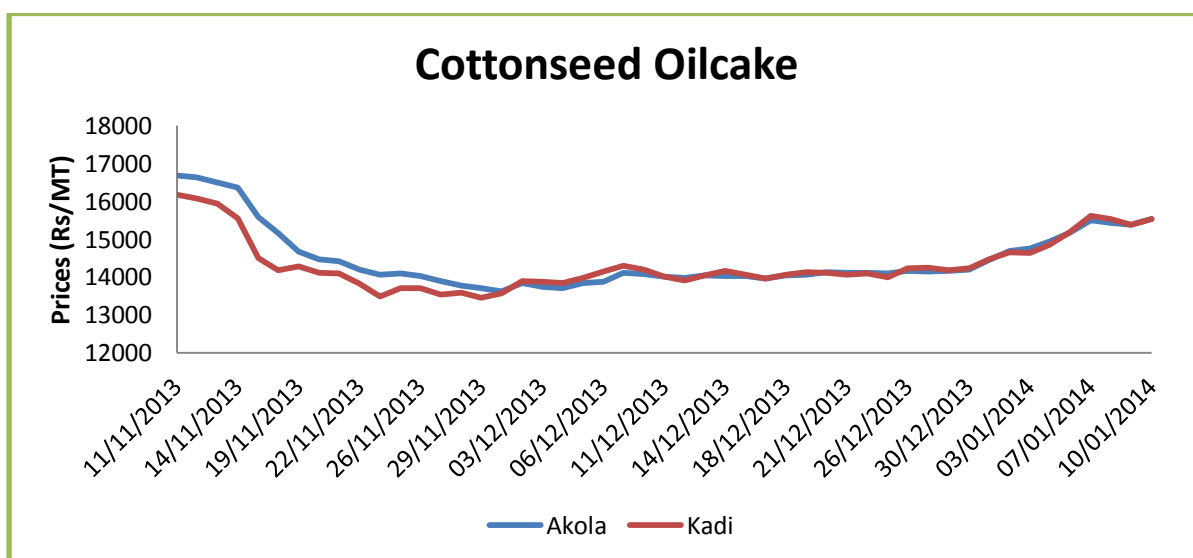
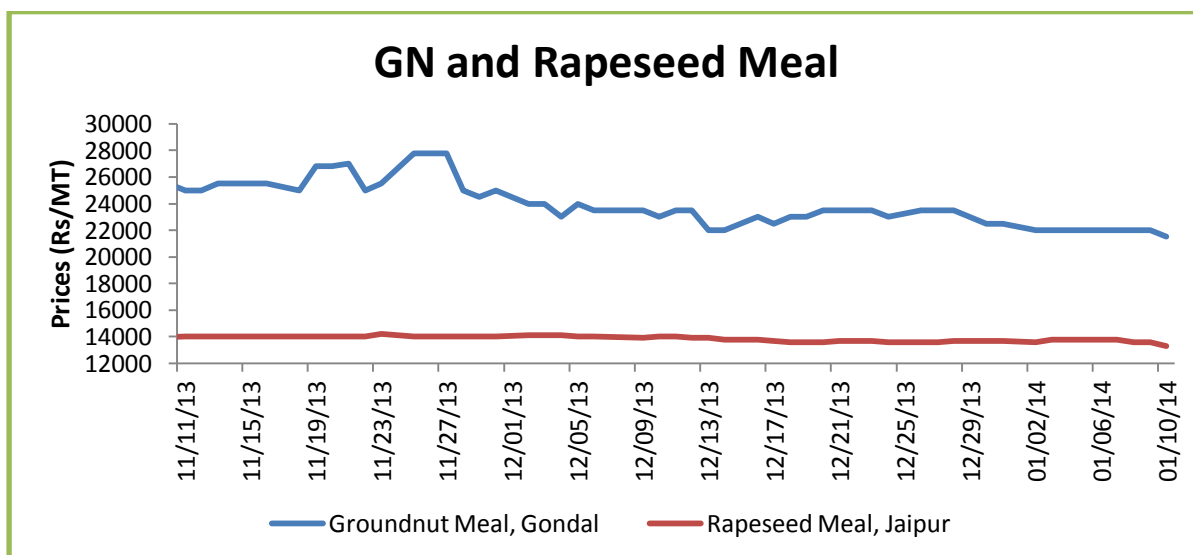
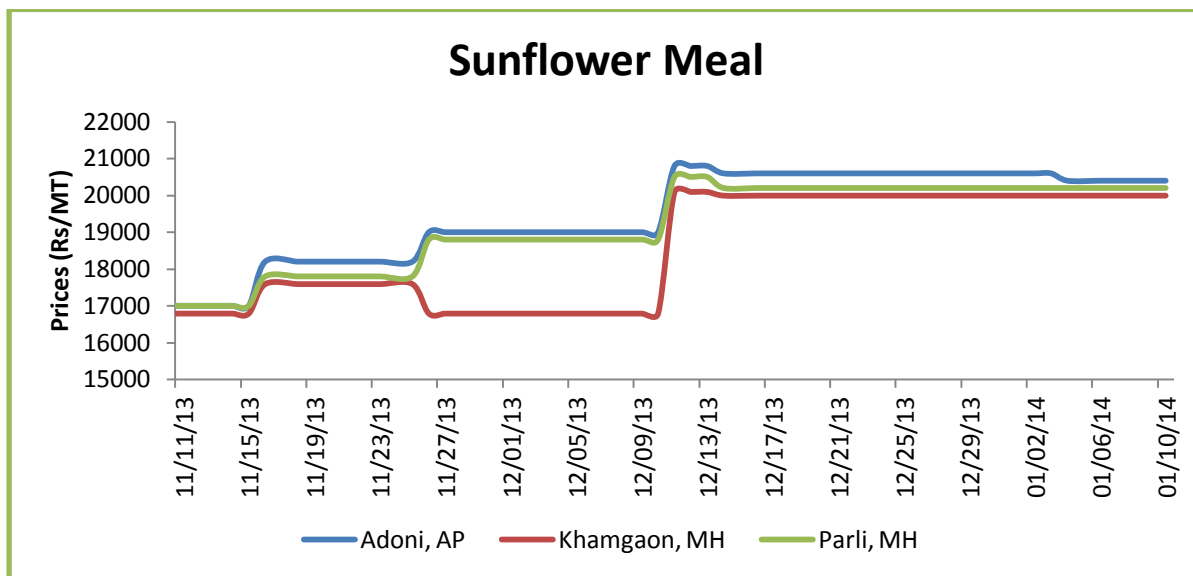
Domestic soybean fell due to weak demand from crushers/processors due to better imports in edible oil, fall in soy meal shipment, rise in mustard seed planting acreage and weak international scenario.

Soy meal prices further eased in tandem with soybean primarily attributed to lower export sales in the month of December by 8.5%.

Mixed sentiments witnessed in most of the major spot markets of maize during last week. Wheat mill delivery prices also traded steady to moderately weak owing to increased OMSS release.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean and soy meal extended losses while rapeseed/mustard seed prices witnessed mild gains during the week in review.

Domestic soybean fell due to weak demand from crushers/processors due to better imports in edible oil, fall in soy meal shipment, rise in mustard seed planting acreage and weak international scenario.

This has further widened the crushing disparity in soybean and hence the crushing plants are operating below their capacity. Currently, India is importing soy oil from Argentina owing to the import parity and palm oil from Indonesia which has led in the sluggish bean demand from solvent extractors.

Besides, market participants feel that U.S. and global soybean inventories, before next year's Northern Hemisphere harvest, may surpass a USDA forecast in December to around 71.5 Mn T from 70.6 Mn T estimated earlier.

Though Informa has cut Argentine soybean production, it has raised the US soybean output. Further, Brazil is expected produce record high this year.

Soy meal prices further eased in tandem with soybean primarily attributed to lower export sales in the month of December by 8.5%.

Iran (132452.96 MT), Thailand (81254.28 MT), Vietnam (50262.43 MT) and Japan (40900 MT) remained the top buyers of Indian origin meal in the month of December 2013. However, India registered higher soy meal export sales during finance year and during current oil year (Oct-Sep).

Currently, the export enquiries in soy meal are low and the South American meal prices are competitive compared to India's. Hence major international demand has diverted to South America.

The chances of improving India's meal exports in coming months are bleak as a result of demand diversion. The previous trend reveals that India's soy meal exports fall in upcoming months.

The RM seed prices featured steady to slightly firm tone on moderate demand during the week in review. However, the RM seed prices have started getting downward pressure on reports of higher domestic planting acreage this season (up 6.2%), weak global oilseeds supply scenario.

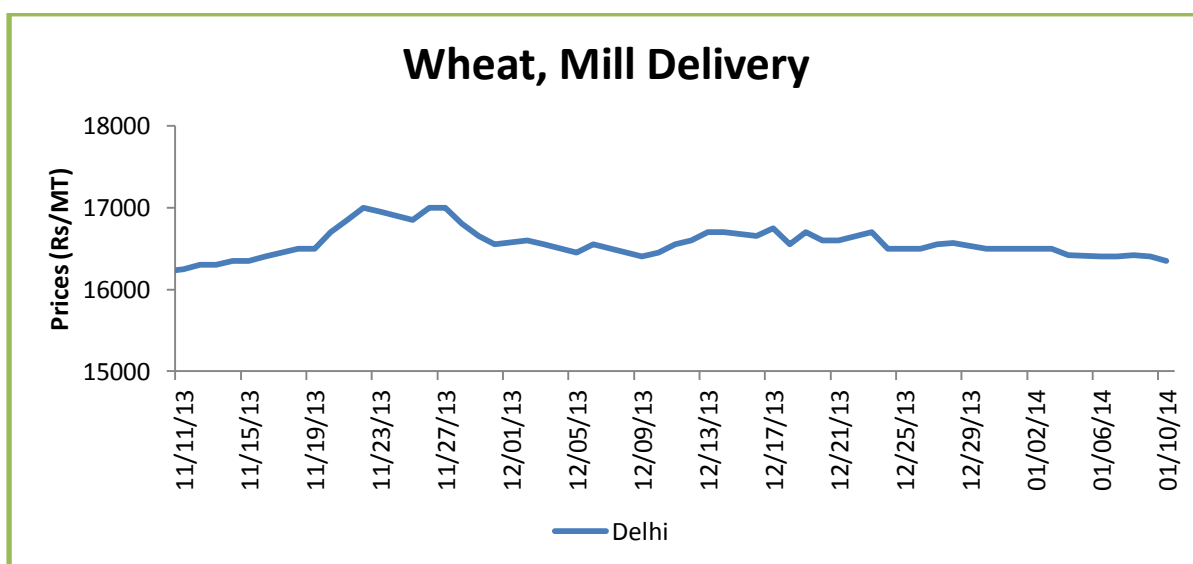
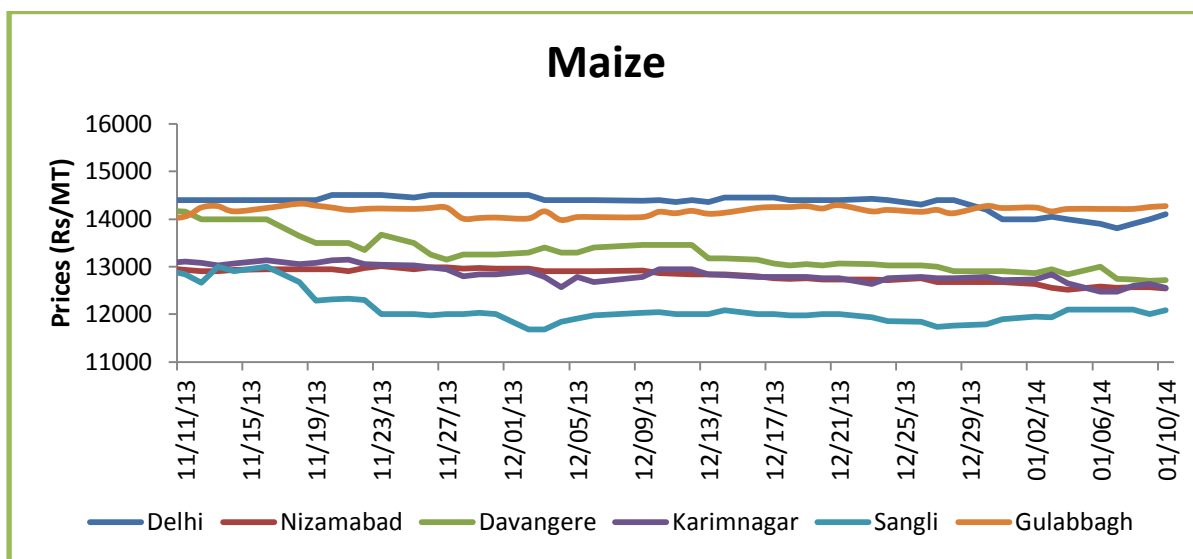
Higher acreage and favourable weather is expected to boost the seed production this season.

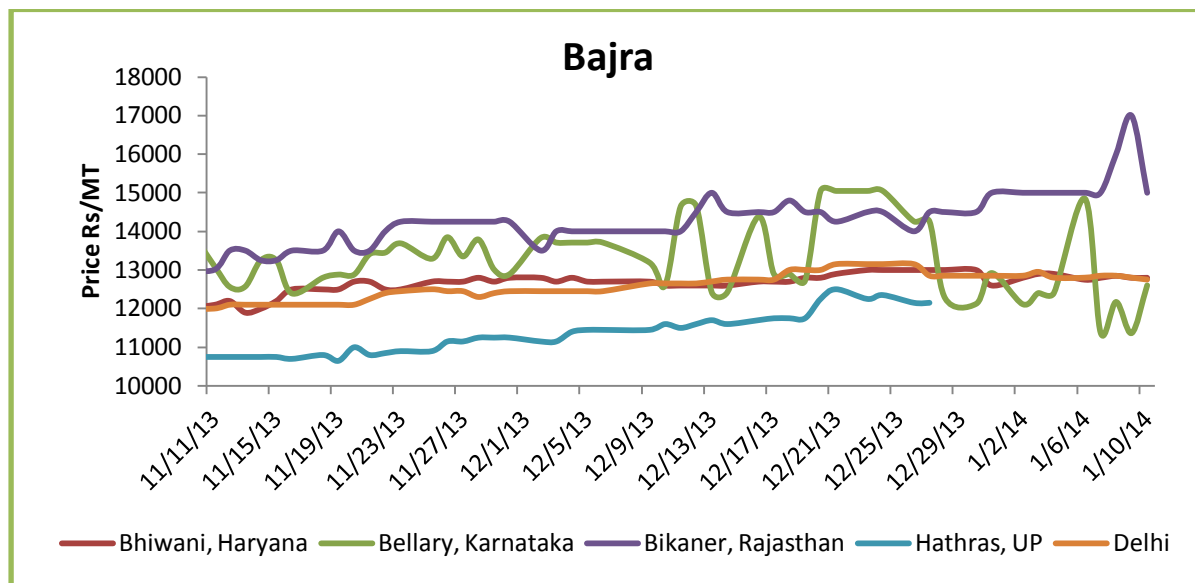
There is a relief for the seed growers as the CCEA has approved the proposal for increasing the import duty on refined edible oils of vegetable origin to 10% to maintain a reasonable differential between import duty on crude edible oils and to protect the domestic refining industry. Earlier the import duty on refined edible oils was 7.5 percent.

The RM seed prices are expected to remain under downward pressure due to weak global and domestic factors in near-term.

Reports of higher global oilseeds inventories, rise in US and South American soybean production estimates, fall in crude oil, sizeable increase in RM seed and other rabi oilseeds acreage domestically

will influence the oilseeds market. Recent rise in import duty in refined edible oils will be a bullish factor for the market.





Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Lawrence Road, Delhi)

Mixed sentiments witnessed in most of the major spot markets of maize during last week.

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize down by Rs. 5 per quintal in a range of Rs. 1230-1275 per quintal. Starch feed makers quoted maize down by Rs. 10 per quintal in a range of Rs.1230-1290 per quintal as compared to last week, sourced from Maharashtra and crop contains around 14% moisture.

However, in the Khanna market of Punjab, the maize was quoted steady at Rs. 1480 per quintal as compared to last week. On daily basis, arrivals of maize reported around 7 motors, contained 14% moisture, sourced from Maharashtra and Himachal. Sources revealed that maize stock could be around 400 motors.

As per USDA, U.S. accumulated corn export figures reached to 11,899,604 metric tons for the 2013-14 marketing year which is higher by ~78% from the last marketing year during the same period but down by 29% from the last week. Exports of 6,03,300 MT were reported by U.S. to Japan (160,200 MT), China (155,600 MT), Mexico (151,000 MT), Saudi Arabia (63,100 MT), and Colombia (36,300 MT) for the period Dec 27- Jan 2, 2014.

In a STC Wheat export tender of 70,000 MTs from Chennai port 8 bids were received. Highest bid was by Alghurair at \$283.60/MT FOB for 25,000 tonnes followed by Glencore Grain at \$282.69/MT FOB for 55,000 tonnes and Amira at \$281.75/MT FOB for 25,000 tonnes.

Indian traders have sold 25,000 MT of 2014-15 crops in forward contract at USD 270/MT FOB for April-May delivery, According to the traders.

In a STC Wheat export tender of 1, 60,000 MTs from Mundra port 7 bids were received. Highest bid was by Vitol at \$282.62/MT FOB for 50,000 tonnes followed by Louis Dreyfus at \$280.62/MT FOB for 40,000 tonnes and Emmsons at \$279.50/MT FOB for 40,000 tonnes.

According to traders, an Omani mill has bought 40,000 MT of 11.50% Protein Indian milling wheat for 20 Jan to 20 Feb delivery at USD 300/MT CNF.

According to IBIS (provisional data), export of wheat in the month of December was 3.83 Lakh tones which is around 23% less than last year at the same month, which was 4.96 Lakh tones in December 2012.

With favorable weather, assured price and area shifting from other crops to wheat area under wheat coverage crossed record at 302.09 lakh ha. against 286.38 last year till 1st January. It is almost 5 percent higher than last year. Market participants expects higher than targeted production of 92.50 million tonne this year.

As sowing of late varieties are still on In Uttar Pradesh, Bihar and Madhya Pradesh, wheat area is expected to cross 305 lakh ha. by the end of January. Crop condition is good to excellent throughout the country. However, spread of yellow rust in Jamnagar remains a major cause of concern as it may reduce the final size of the crop.

Area in Uttar Pradesh has crossed 9.68 million ha. against the target of 9.73 million ha., Madhya Pradesh is lagging behind the target of 5.9 million ha., wheat coverage area has been registered here at 5.39 million ha. so far. As sowing still continues, target is likely to be met in next two -three weeks from now. Area under wheat in Bihar has been reported at 2 million ha. against the target of 2.32 million ha.

International market is likely to trade steady to slightly firm on increased demand from China and Brazil, supported by buyer's fresh interest at lower level. However in medium term market is expected to trade slightly up due to some damage report in U.S. wheat growing area due to excessive cold.

Outlook

Feed prices are expected to trade steady in the coming days due to fluctuation in the prices of key feed ingredients.

Spreads

Maize Average Weekly spread with Bajra

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	113.0	86.0	106.0	71.00	-5.0	2.50	137.00	145.00	232.0	237.5	205.0	127.0
2	82.50	112.5	145.0	33.00	-9.0	29.00	200.00	204.00	275.5	233.0	192.5	
3	93.75	110.0	154.0	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3	160.0	
4	102.0	110.0	86.0	-104.0	-49.0	120.00	124.00	190.00	230.0	207.5	153.0	
5				-72.0			132.00		234.0		152.0	

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, in Delhi spot market, maize spread with bajra decreased as compared to last week as maize traded down vs. bajra. Sources revealed that trend could continue in the near term and keep maize spread with bajra down as compared to last week.

Maize Average Weekly spread with Jowar

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	107.0	142.0	265.0	171.0	88.0	175.00	230.00	321.66	364.0	487.5	450.0	357.0
2	80.0	172.5	322.0	133.0	146	175.00	295.00	402.00	366.0	492.0	460.0	
3	147.5	178.0	320.0	-23.0	243	197.00	305.00	390.00	400.0	471.6	436.0	
4	170.0	244.0	205.0	0.83	229	250.00	334.00	327.00	368.0	450.0	446.0	
5				53.0			372.00		370.0		422.0	

*Market Center: Delhi. Maize – loose price. Maize prices less Jowar

As the table depicts, maize spread with jowar traded down as jowar traded slightly firm during last week. We expect that jowar could trade steady movement and keep maize spread with jowar down for the next week.

Maize Average Weekly spread with Wheat

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	-90.8	-59.0	-97	67	-132	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0
2	-143	-14.0	-220	32	-133	-134.0	-125.0	-122.0	-139.0	-150.0	-175.0	
3	-81.25	-2.50	-179	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	
4	-47.5	29.0	76.0	-174	-82.50	-	-75.0	-135.0	-157.0	-205.8	-126.0	
5				-137		105.00	-66.0		-140.0		-131.0	

*Market Center: Delhi. Maize – loose price. Maize prices less Wheat

As the table depicts, maize spread with wheat decreased during last week as maize traded down vs. wheat. We expect that wheat could trade steady to slightly weak due to expectation of a better crop and increase in quantity released by government and keep maize spread with wheat intact as compared to last week.

Maize Average Weekly spread with Barley

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	71.67	152.0	327.5	290.0	213.0	133.0	165.0	244.0	195.0	237.5	185.0	127.0
2	62.50	189.0	369.0	283.0	185.0	115.0	199.0	220.0	191.0	231.0	187.5	
3	122.5	239.0	383.0	122.5	143.0	140.0	224.0	190.0	178.75	216.7	157.0	
4	167.0	294.0	314.0	151.0	147.5	185.0	270.0	197.0	158.0	189.2	171.0	
5				196.0			272.0		190.0		155.0	

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, in Delhi spot market, maize spread with barley decreased as maize traded down vs. barley during last week. We expect that trend could continue in the near term and keep maize spread with barley slightly down as compared to last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	10.1.2014	3.1.2014	Parity To
Indore (MP)	32000	32800-33000	Gujarat, MP
Kota	31500	32300-32600	Rajasthan, Del, Punjab, Haryana
Akola	32500	33000	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	32500	33500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	32500-32700	33000	Andhra, AP, Karnataka ,TN
Dhulia/Jalna	33500	34000	Mumbai, Maharashtra
Nagpur (42/46)	32300	33300	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	33000	34000	Local and South
Solapur	32700	33500	Local and South
Bundi	31500-31700	32400	-

Soy DOC at Port

Centers	Port Price	
	10.1.2014	3.1.2014
Kandla (FOR) (INR/MT)	33550	34800
Kandla (FAS) (USD/MT)	542	558

International Soy DOC

Argentina FOB \$/MT	9.1.2014	3.1.2014	Change
Soybean Pellets	506	510	-4
Soybean Cake Meal	506	510	-4
Soybean Meal	514	518	-4
Soy Expellers	514	518	-4

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	10.1.2014	3.1.2014	Change
Adoni	20400	20600	-200
Khamgaon	20000	20000	Unch
Parli	20200	20200	Unch
Latur	20000	20100	-100

Groundnut Meal

Groundnut Meal	10.1.2014	3.1.2014	Change
Basis 45% O&A, Saurashtra	22700	23000	-300
Basis 40% O&A, Saurashtra	NA	NA	-
GN Cake, Gondal	21500	22000	-500

Mustard DOC/Meal

Mustard DOC/Meal	10.1.2014	3.1.2014	Change
Jaipur (Plant Delivery)	13300	13800	-500
Kandla (FOR)	14300	14700	-400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	10 Jan, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1400	1430	1460	1440	1500
Davangere	Bilty	1200	1230	1250	1250	1385
Nizamabad	Bilty	1275	1275	1200	1280	1370
Ahmedabad	Feed	1250	1280	1310	1351	1500
	Starch	1280	1300	1350	1350	1560

FOB, C&F – Maize at Various Destinations (USD/ton)

	Argentina	Brazil	US	India (Bihar Origin)
FOB	217.76	189.15	210.8	231
Cost and Freight (Thailand)	267.76	245.35	270.8	266

Soy Meal Exports (In MT):

<u>Month</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Jan	521243	240318	574996	474993	620133
Feb	375098	220552	540360	344240	577589
Mar	224639	163666	410537	460464	320265
Apr	100106	60264	305033	313832	100311
May	77018	60575	176819	142588	97546
Jun	109923	98400	117600	180987	213564
Jul	58268	166632	139547	168341	107038
Aug	127299	176138	165510	10005	
Sep	171955	290868	225921	6525	
Oct	219721	404960	223594	49840	
Nov	297340	443488	397659	517103	
Dec	328225	611157	798041	510698	
Total	2610835	2937018	4075617	2668918	

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>10-Jan-14</u>	<u>3-Jan-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1260	1240	20
		Hybrid	Bangalore	1380	1250	130
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1428	1568	-140
Maize	Karnataka	Yellow	Davangere	1150	1180	-30
	Andhra Pradesh	Yellow	Nizamabad	1225	1225	Unch
Rice	Haryana	IR8	Karnal	2100	2100	Unch
		Parmal Raw	Karnal	2400	2300	100
Soy meal	Madhya Pradesh	DOC	Indore	3200	3300	-100
	Maharashtra	DOC	Sangli	3300	3400	-100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2040	2060	-20
	Maharashtra	Ex-factory	Latur	2000	2010	-10
Mustard	Rajasthan	Plant delivery	Jaipur	1330	1380	-50
Groundnut Meal	Gujarat	GN Cake	Gondal	2150	2200	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1552	1493	59
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1552	1486	66

Note: Prices (Rs. per Qtl)

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